

The Connecticut General Assembly



House Democrats
Office of House Majority Leader Joe Aresimowicz

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ARESIMOWICZ APPLAUDS GOVERNOR'S SIGNING OF LANDMARK RETIREMENT SECURITY BILL

Legislation will provide retirement savings plans to over 600,000 workers

House Majority Leader Joe Aresimowicz (D – Berlin/ Southington) is pleased to announce that Governor Malloy has signed HB 5591, PA 16-29 - AN ACT CREATING THE CONNECTICUT RETIREMENT SECURITY PROGRAM. This legislation, spearheaded by Rep. Aresimowicz and Senate President Pro Tempore Martin Looney (D-New Haven/Hamden/North Haven), establishes the Connecticut Retirement Security Exchange, which will give private sector workers who do not have access to an employer-sponsored retirement plan, a low-cost way to save for retirement, at no cost to the tax payers of Connecticut.

“There are currently almost 600,000 workers in Connecticut who do not have access to an employer-sponsored retirement plan, which is why I made it a priority to push forward a Connecticut-based solution to the retirement savings crisis,” said Rep. Aresimowicz. “By providing a retirement savings option to those 600,000 so they have the necessary funds in the bank when they can no longer work, we will help them enjoy their senior years, while also saving money for future taxpayers.”

Not addressing the state’s looming retirement crisis will not only impact retirees, but the next generation of workers as well. With fewer workers having access to a retirement plan through their employer, it is becoming far too common that employees are working longer; crowding out job opportunities for those entering the workforce. And with today’s average Social Security benefit being just \$15,228 per year, retirees are barely receiving enough money to keep their homes heated, let alone to meet all of their daily living needs. In many cases, they must turn to state-funded programs to meet their basic needs.

The law, as amended by PA 16-3, creates a quasi-public authority charged with working with the private marketplace to develop Individual Retirement Accounts (IRAs) for employees of employers that do not offer a retirement savings plan. The program will cap fees, allow for employees to take their money with them if they switch jobs, and will facilitate automatic enrollment. Studies, including a nearly 2-year analysis by the Connecticut Retirement Security Board, determined that this model is feasible, cost-effective, and widely supported by both employees and employers.

Governor Malloy signed the legislation on May 27th.

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Joe Aresimowicz is serving his sixth term representing the 30th Assembly District of Berlin and Southington in the Connecticut General Assembly, where he is House Majority Leader.